

SPECIAL INSTRUCTIONS

RESOLUTION AUTHORIZING COUNTY ENGINEER TO ACT ON BEHALF OF BOARD OF SUPERVISORS (COUNTIES ONLY)

The County Engineer, besides signing as the engineer in charge of the project, must also sign on behalf of the Board of Supervisors. Before the County Engineer can legally sign for the supervisors, a resolution authorizing the County Engineer to sign final acceptance of work on behalf of the Board must be passed. The resolution is shown below.

“Be It Resolved by the Board of Supervisors of _____
County that _____, the County Engineer of
_____ County is hereby designated, authorized, and
empowered on behalf of the Board of Supervisors of said county to execute the
certificate of completion of work and final acceptance thereof in accordance with
the plans and specifications therefore in connection with all farm-to-market and
Federal-aid construction projects in this county.”

INTEREST PAYMENT ON CITY/COUNTY PROJECTS

Day Zero

In determining whether interest will or will not be paid, a key date is the date the project engineer receives from the contractor the last required form, document, or certification prepared by the contractor and required for the final voucher. This date will be referred to as “Day Zero.” Day Zero cannot occur before the Final Acceptance Date (FAD). If the contractor meets all requirements related to final documents before the Final Acceptance Date, the Day Zero will be the Final Acceptance Date.

30 Day Period

This is the 30 days after “Day Zero Date” less any suspensions. The count starts the day following the “Day Zero Date.” After the “Day Zero” count has started, it may be suspended in the following situations.

1. If the signed final voucher has not been returned to the project engineer within 30 days after it was sent to the contractor, the count will be suspended on the 31st day and will resume on the day the signed final voucher is received by the project engineer from the contractor.
2. If an extra work order has not been signed and returned to the project engineer within 10 days after it was sent to the contractor, the count will be suspended on the 11th day and resume on the date the signed work order is returned.

Procedure

A. Project Engineer

The project engineer will include with the final estimate the information necessary for computation of interest if applicable. A sample form that can be used for interest computation is shown at the end of Appendix 2-39. A completed form must accompany the final estimate. Note all 30-day suspensions and resumptions.

B. District Local Systems Engineer (DLSE)

The DLSE shall check to see that an interest payment data sheet is included with the final papers. If it is determined that additional certification is required from the contractor, the DLSE shall advise the project engineer. If the project engineer has not received this additional certification from the contractor within five (5) days after notification, the count related to “Day Zero” will be suspended on the sixth day and

resume when the certification is received. This suspension should be listed on the information sheet.

C. Interest Period and Payment

The "Day Zero" count stops as of the date shown on the final payment warrant. If the final warrant is dated on or before FAD + 50, no interest is due. If after FAD + 50, interest will be paid starting on the 31st day after "Day Zero" and end on the date of the final warrant less suspensions that occur after the 30th day after "Day Zero."

Both counts stop as of the date shown on the final check. If from the Final Acceptance Date to the date of the check is 50 calendar days or less, no interest will be paid. If it is more than 50 calendar days, interest will be paid starting on the 31st day after "Day Zero" or the 51st calendar day after the Final Acceptance Date, whichever is later, and end on the date of the check less suspension periods. Interest rate and payment will be handled by the Office of Finance.

Information will be needed to determine if interest will or will not be paid. The sample form can be used as a guideline to provide the necessary information or copies can be made of the form. One copy of the completed form or a reasonable facsimile must be included with each final estimate.

The dates of any suspensions in the count by the DLSE shall also be listed on the form.

Since the procedure for processing final vouchers is quite lengthy, the final should be in the Office of Finance not later than the 36th calendar day of the count after the Final Acceptance Date to assure the final warrant will be dated not later than the 50th day.

D. Examples

1. Final Acceptance Form 830435 signed by Jan. 10, 1982.
Final Acceptance Date 1-10-82; 50th calendar Day 3-1-82.

All required papers from the contractor received Jan. 20, 1982.
Day Zero Date 1-20-82, 31st Day 2-20-82.

Final Payment Warrant dated March 22, 1982.
Interest will be paid for the period Feb. 20 to March 22, 1982, because the warrant is dated after March 1, 1982.

2. Final Acceptance Form 830435 signed Jan. 10, 1982.
Final Acceptance Date 1-10-82, 50th Day 3-1-82.

All required papers from the contractor received March 10, 1982.
Day Zero Date 3-10-82, 31st Day 4-10-82.

Final Payment Warrant dated April 5, 1982.
No interest. Warrant dated before the 31st day after Day Zero.

If the warrant had been dated April 15, 1982, interest would be paid for the period April 10 to April 15, 1982.

E. County Projects

1. On federal-aid funded projects and farm-to-market projects, the County Engineer shall follow the same procedure as explained in the previous pages. When it is determined that interest is to be paid on a project, Office of Finance will prepare a voucher for the amount of interest and forward it to the County for approval. (Claimant certification is not required.) The County will return the approved voucher to the Department of Transportation through the DLSE. A warrant for the interest will be issued to the contractor from the same fund that financed the project.
2. On federal-aid funded projects using special categorical funds for which the County handles all contractor payments from their local funds, a different procedure is to be used. Each final estimate sent through the DLSE to the Office of Finance for Federal reimbursement shall include a completed interest payment data sheet. The DLSE shall check the data sheet to make sure all the needed information has been included and forward it to the Office of Finance (Attention: Accounts Payable). The Office of Finance will enter the appropriate interest rate and return it to the County through the DLSE. The County is then responsible for determining the amount of interest and the payment of same to the contractor.
3. On local projects, it will be the responsibility of the County to apply the interest law and make interest payments when applicable. The interest law applies to all projects. Interest rate for a specific period can be obtained from the Assistant Accounting Director, Office of Finance, Iowa Department of Transportation in Ames.

F. City Projects

1. On federal-aid funded projects for which the City handles all contractor payments from their local funds, each final estimate sent to the DLSE for reimbursement shall include a completed interest payment data sheet. The DLSE shall check the data sheet making sure all needed information has been included and forward to the Office of Finance, Attention: Federal Aid Accounts Payable. The Office of Finance will enter the appropriate interest rate and return to the City through the DLSE. The City is then responsible for determining the amount of interest and the payment of same to the contractor.
2. On local projects it will be the responsibility of the City to apply the interest law and make interest payments when applicable. The interest law applies to ALL projects. Interest rate for a specific period can be obtained from the Federal Aid Accounts Payable, Office of Finance, Iowa D.O.T. in Ames.

Retention Release

If at any time, it appears final payment cannot be made before FAD + 50, the project engineer should prepare a Retention Release Voucher. This will greatly reduce the amount retained and thereby reduce the interest payment.

LIQUIDATED DAMAGES

A. Iowa DOT Payment

On secondary contracts where the contractor is paid directly from the Office of Finance, Iowa Department of Transportation, the District Local Systems Engineer (DLSE) will not process the Final Voucher until the liquidated damages are settled. The project engineer will maintain communication with the contractor toward settlement until one of the following occurs:

1. Settlement by Change Order
 2. Contractor sends in a check
 3. Credit by the project engineer showing no damages to be charged
- The DLSE will not intercede as the negotiator until the project engineer and contractor have reached an impasse.

B. County and City Payment

Where the county and city handle the payment to the contractor, the county or city must determine the amount of damages or approve a credit.

Preparation of Change Order for DLSE Use

If the liquidated damages (LD) rate per day exceeds our normal Iowa DOT schedule, then process the Change Order as substantial. If the LD rate per day is according to our normal Iowa DOT schedule, then process the Change Order as non-substantial.

If construction engineering is non-participating and is greater than or equal to the total LD amount, the following statement should appear on the Change Order:

“The LDs on this project do not exceed the construction engineering costs.”

If construction engineering is participating, then a statement of cost is required.

AUDITS BY DOT ON FEDERAL-AID PROJECTS

The DOT will do District and Materials audits on federal-aid projects on a system basis. In other words, DOT staff will audit some federal-aid projects by using a sampling process to select which project(s) to do a state review audit for each Contracting Authority. To insure that all federal-aid project audits are documented, forms have been developed and are to be filled out by the Contracting Authority. The DLSE should be contacted to obtain forms.

Contracting Authority Project File Review Form – This form shall be completed (front and back) by the Contracting Authority (County or City) for all federally funded projects. The review is to be completed prior to contacting the District Office for a possible audit. The completed form is to become a part of the Contracting Authority’s project records. This form can be obtained from the DLSE.

Materials Audit Forms – The corresponding materials audit form(s) shall be completed by the Contracting Authority before Form 830436, “Final Payment” is sent to the District Office for signature. Any deficiencies in the reported column should be addressed in the comments’ section or by an attached letter. These forms are to be part of the Contracting Authority’s project records. The forms may be obtained from the District Office.

FORMS FOR FINAL PAYMENT PACKET

The following packet of completed forms should be sent by the county or city to the District Local Systems Engineer (DLSE). Following their review, the DLSE will submit the required documents to the Office of Finance.

<u>Form No.</u>	<u>Description</u>	<u>Quantity Needed by DLSE</u>
830436	Final Payment (C.M. 2.37)	1
640003	*Certificate of Completion & Final Acceptance of Work	2
None	*Statement of Noncompliant Test of Measurement of Materials Incorporated into the Project (C.M. 2.37)	3
FWHA-47	*Statement of Materials & Labor (C.M. 2.29) (Required for contracts greater than \$1,000,000.)	2
181321	Contractor's Statement of Sales or Use Tax (C.M. 2.29) (Cities will file directly.)	2
830240	*Final Change Order (C.M. 2.45)	2
None	Interest Payment Data Information (C.M. Appendix 2-39)	2
181013	Contract Construction Progress Voucher (May be Universal Payment Voucher Form 181001 on certain types of projects)	Copies 1, 2 & 4
830301	*Audit of Final Pay Estimate (C.M. 2.43)	2
181201	*Reallocation of Accounting Units (Used for splitting costs between counties or funding types, state projects)	1
181202	*Quantity Reallocation for Final (Used for splitting costs between counties or funding types, state projects)	1
None	*Statement of Salvage Material (C.M. 3.05)	1
102116	*Certification of DBE Accomplishment (C.M. 2.25)	1
650032	*Consultant Performance Evaluation (C.M. 1.14)	1

*When applicable

INTEREST PAYMENT DATA

Project _____

County _____

Accounting ID _____

Contractor _____

Final Acceptance Date _____ 50th Day _____

"Day Zero" Date _____ 31st Day _____

Date of Check for final payment to the Contractor _____ 20____
(For County & Cities when they make all Contractor Payments)

Suspension Periods in the "Day Zero" Count. If no suspension, write "None."

If final payment is dated after _____,

interest will start to accrue on _____.

VALUE ENGINEERING FOR LOCAL PROJECTS

In accordance with Specification 11.05.15 a contractor may submit a value engineering proposal to the project engineer (County or City) with copies to the appropriate District Local Systems Engineer (DLSE). The purpose of value engineering is to encourage alternative, cost effective measures which produce equal or better quality end products.

Value Engineering Proposals Will Not Be Accepted For:

- Changes in basic design of a bridge or pavement type. For example, Value engineering a project from PCC to ACC will not be acceptable. Changing a designed bridge to a box culvert is not acceptable.
- Changes which the contracting authority may already be considering.
- Basing a value engineering proposal on, or similar to, existing standard specifications, special provisions, or design plans and standards adopted by the contracting authority. For example: a plan was let using 4.6m (15 foot) PCC joint spacing. A value engineering proposal would not be accepted changing this to 6m (20 feet) because "RH" standards have included this spacing as an acceptable standard.

Written Proposal:

The written proposal shall have sufficient detail to be evaluated for compliance with the requirements and limitations of Specification 1105.15. The detail provided must also allow for reviewing how a proposal impacts the entire project. It shall include:

- A description of existing requirements and proposed changes.
- All affected contract items, including new Change Order items and supporting justification for that extra work.
- Effects on crew, equipment, and production needs for the project.
- Impact on the construction period.
- Schedule for obtaining all required materials.

Proposal Evaluation Process:

It is very important to pursue these requests quickly to maximize potential savings. Once a Value Engineering proposal is received, the project engineer (County or City) should discuss merits of the proposal with the DLSE.

If the project engineer feels that there is merit to the proposal, a written request for concurrence must be forwarded to the appropriate DLSE. The DLSE will coordinate the review with the District Value Engineering Coordinator and with other offices, if necessary.

Notification:

Following this review, the DLSE will notify the project engineer of the District's concurrence or the reasons for not concurring and any other special considerations or requirements. Following notification from the DLSE, the project engineer will prepare a written notification to the contractor outlining the review and conclusions of that review.

If a proposal is acceptable, this notification will form the basis for issuing a Change Order to implement conditions of the value engineering proposal.

A notification should include:

- A restatement of any changes.
- All costs involved, and how costs will be addressed.
- Any specification requirements as a result of changes or modifications to the existing contract.
- Details pertaining to special requirements for materials inspection and testing, if applicable.
- Any other special considerations or conditions.

If a proposal is not approved, the notification needs to include reasons for rejection.

The Iowa DOT has estimated a goal of ten days to complete the entire review and notification process.